

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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PETALS DECORATIVE ACCENTS LLC,	:	Index No. 07CV8120(HB)
	:	
Plaintiff,	:	
	:	
-against-	:	<u>REPLY TO</u>
	:	<u>COUNTER-CLAIMS</u>
	:	
THE ELEVATION GROUP LLC, CONTROL	:	
SOLUTIONS INC., IMAGESOFT INC., TONY	:	
YENIDJEIAN and DINESH BAKHRU,	:	
	:	
Defendants.	:	
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Plaintiff, PETALS DECORATIVE ACCENTS LLC, (hereinafter "Petals" or "Plaintiff") by its attorneys, Gersten Savage, LLP, as and for its reply to the Counter-Claims asserted by defendant THE ELEVATION GROUP LLC (hereinafter "Elevation"), alleges as follows:

FIRST COUNTER-CLAIM FOR BREACH OF CONTRACT

1. Denies the allegations set forth in paragraph 1 except admits that in or about June 2006, the Plaintiff and Elevation entered into an agreement pursuant to which the Plaintiff retained Elevation to design and implement and all-encompassing computer system for Petals.
2. Admits the allegations set forth in paragraph 2.
3. Admits the allegations set forth in paragraph 3.
4. Denies the allegations set forth in paragraph 4.
5. Denies the allegations set forth in paragraph 5.
6. Denies the allegations set forth in paragraph 5 except admits that Elevation provided Petals with invoices requesting payment.
7. Denies the allegations set forth in paragraph 7.

- 8. Denies the allegations set forth in paragraph 8.
- 9. Denies the allegations set forth in paragraph 9.
- 10. Denies the allegations set forth in paragraph 10.
- 11. Denies the allegations set forth in paragraph 11 except admits that Elevation is apparently seeking judgment against Petals.

SECOND COUNTER-CLAIM FOR UNJUST ENRICHMENT

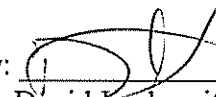
- 12. Denies the allegations set forth in paragraph 12.
- 13. Denies the allegations set forth in paragraph 13.
- 14. Denies the allegations set forth in paragraph 14.
- 15. Denies the allegations set forth in paragraph 15.
- 16. Denies the allegations set forth in paragraph 16 except admits that Elevation is apparently seeking judgment against Petals.

**THIRD COUNTER-CLAIM FOR BREACH OF THE COVENANT OF
GOOD FAITH AND FAIR DEALING**

- 17. Denies the allegations set forth in paragraph 17.

Dated: November 9, 2007

GERSTEN SAVAGE LLP
Attorneys for Plaintiff

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